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In re Patent No. 6,363,036
Issue Date: March 26, 2002
Application No. 09/474,522
Filed: December 29, 1999
Atty. Dkt. No. LTL001US

OFFICE OF PETITIONS

: DECISION ON PETITION
: UNDER 37 CFR 1.378(b)
:
:

This is a decision on the petition under 37 CFR 1.378(b), filed March 26, 2010.

The petition under 37 CFR 1.378(b) for reinstatement of expired patent is hereby **DISMISSED**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). **Any such petition for reconsideration must be accompanied by the petition fee of \$400 as set forth in 37 CFR 1.17(f).** The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director.

The patent issued March 26, 2002. The 3.5 year maintenance fee could have been paid from March 26, 2005 through September 26, 2005 without a surcharge, or with a surcharge during the period from September 27, 2005 through March 26, 2006. Accordingly, the patent expired on March 26, 2006 for failure to timely submit the second maintenance fee.

A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1).

This petition lacks item requirement (1) set forth above.

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable". 35 U.S.C. § 41(c)(1).

Petitioner asserts that LightTime, LLC is the owner of the instant patent. Petitioner asserts that "contrary to the representations of" prior counsel John W. Eldredge, the maintenance fee due March 26, 2006 was not paid. The petition and exhibits assert that fees were paid to Attorney Eldredge (\$24,412 in 2005 to the law firm of Meyers, Dawes, Andras and Sherman LLP, where Attorney

Eldredge purportedly was employed from 2003 to late 2005 or early 2006 and \$4000 to Attorney Eldredge, who purportedly was self-employed from late 2005 to early 2006, in 2006).

Attorney Eldredge was Vice President and General Counsel for LightTime, LLC. Attorney Eldredge is said to have provided periodic status reports to the President and CEO of LightTime, LLC, Clark Caflisch.

Patentee first suspected there was a problem May 1, 2009 due to failure to receive return phone calls from or otherwise maintain contact with Attorney Eldredge.

In this regard, Clark Caflisch declares:

"I have been unable to contact Mr. Eldredge since or about May 1, 2009. Since about May 1, 2009, I have sent numerous emails and made numerous telephone calls to Mr. Eldredge without receiving any reply. While traveling in California, I drove to Mr. Eldredge's home and his house unoccupied. As a result of on-line searches since May 1, 2009, I now believe that Mr. Eldredge was divorced on April 24, 2009, the property taxes on his home have not been paid in several years, and Mr. Eldredge is no longer a member of the California State Bar. These problems may have begun when Mr. Eldredge's daughter went missing while surfing in Hawaii, the apparent victim of a shark attack on April 4, 2004. In spite of the distressing events of that time, Mr. Eldredge continued to represent to me and I believed that LightTime's patent portfolio was being properly managed."

Attorney Eldredge is said to have ceased representing patentee in July 2009 when patentee sought new counsel. Patentee hired new counsel, David Millers, on December 1, 2009. Patentee was first informed that the patent was expired by new counsel on December 15, 2009.

Clark Caflisch also references a meeting with Mr. Eldredge on December 3, 2008 and has provided a copy of a spreadsheet provided at that time by Mr. Eldredge. The spreadsheet is said to show LightTime, LLC patent matters, including the instant patent.

Patentee appears to attribute the failure to timely pay the 3.5 year maintenance fee to the inactions of prior counsel John W. Eldredge. However, the showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

Acceptance of late payment of a maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133 because 35 U.S.C. § 41(c)(1) uses the identical language, i.e. "unavoidable delay". Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the "reasonably prudent person" standard in determining if the delay in responding to an Office action was unavoidable. Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887)(the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912); and Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition to revive an application as unavoidably abandoned cannot be granted

where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

In essence, patentee must show that he was aware of the need to pay the maintenance fee, and to that end was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was "unavoidably" prevented from making the maintenance fee payment from the time the payment was due until the filing of a grantable petition. Petitioner has failed to meet this burden.

Patentee first became aware that the patent was expired on December 1, 2009 when so informed by counsel.

Patentee indicates that Attorney Eldredge did not have authority to "abandon a patent or a patent application" without approval.

To the extent that Attorney Eldredge was engaged by patentee to track the maintenance fee due date of the instant patent, there is nothing in the record that establishes that the attorneys had steps in place to ensure timely payment of the maintenance fee. Thus, it cannot be found that it was reasonable for patentee to rely upon Attorney Eldredge for the purpose of tracking the maintenance fee due date.

Did patentee, who bears the ultimate responsibility for ensuring timely payment of the maintenance fee, make any inquiries of Attorney Eldredge or the Patent and Trademark Office to determine when and if the maintenance fee was due?

While patentee references a meeting held December 3, 2008 and a spreadsheet, Exhibit B, said meeting occurred subsequent to the expiration of the patent. Moreover, insofar as the spreadsheet references the instant patent, it merely states that the patent was "issued." The spreadsheet does not speak to the due date for maintenance fee payments. Moreover, Clark Caflisch asserts that Attorney Eldredge provided "periodic status reports." Specific information, such as dates when the reports were provided, details on what the reports consisted of, and copies of the reports, have not been provided.

The record does not support Clark Caflisch's speculation that Attorney Eldredge's "problems may have been when Mr. Eldredge's daughter went missing while surfing in Hawaii, the apparent victim of a shark attack on April 4, 2004." Moreover, to the extent that Attorney Eldredge was preoccupied with other matters that were given priority over the instant patent, such preoccupation does not constitute unavoidable delay. See, Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

The record does not support Clark Caflisch's assertion that fees were paid to Attorney Eldredge in 2005 and 2006. Moreover, the petition fails to establish the purpose of the alleged payments. Specifically, there is no indication that the \$24,412 paid to the law firm of Meyers, Dawes, Andras and Sherman LLC or the \$4,000 paid to Attorney Eldredge in 2006 were paid for the purpose of paying the maintenance fee for the instant patent.

As to petitioner's assertion of non-receipt of any USPTO notice that the maintenance fee was due, petitioner is reminded per MPEP 2575 that:

"Under the statutes and the regulations, the Office has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to ensure that the maintenance fees are paid to prevent expiration of the patent. The Office will, however, provide some notices as reminders that maintenance fees are due, but the notices, errors in the notices or in their delivery, or the lack or tardiness of notices will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Office are courtesies in nature and intended to aid patentees. The Office's provision of notices in no way shifts the burden of monitoring the time for paying maintenance fees on patents from the patentee to the Office."

In other words, failure to receive a Maintenance Fee Reminder will not relieve the patentee of the obligation to timely pay the appropriate maintenance fee to prevent expiration of the patent, nor will it constitute unavoidable delay if the patentee seeks to reinstate the patent under 37 CFR 1.378(b). See, In re Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F3d at 608-609, 34 USPQ2D at 1787. It is incumbent upon the patent owner to implement steps to schedule and pay the fee, or obligate another to do so. See California Medical Products v. Technol. Med. Prod., 921 F.Supp 1219, 1259 (D. Del. 1995). That is, 37 CFR 1.378(b)(3) requires a showing of the steps in place to pay the maintenance fee, and the record currently lacks a sufficient showing that any steps were emplaced by petitioner or anyone else. In the absence of a showing that patentee or anyone else was engaged in tracking the maintenance fee due dates, and that party had in fact been tracking the due dates with a reliable tracking system, such as would be used by prudent and careful men in relation to their most important business, petitioner cannot reasonably show that the delay was unavoidable delay. In re Katrapat, 6 USPQ2d 1863, 1867-1868 (Comm'r Pat. 1988); California, supra. Put otherwise, the lack of communication between patentee and Attorney Eldredge and even Attorney Eldredge's alleged preoccupation with other matters is immaterial in the absence of a showing that there were steps in place to ensure timely payment of the fee.

Petitioner has not provided any documentary evidence demonstrating the nature and extent of contractual obligations of the attorneys to establish that the attorneys were contractually bound to track the maintenance fee on behalf of patentee. Petitioner has failed to demonstrate that the party responsible for paying the maintenance fee, Mr. Eldredge, had implemented steps to schedule and pay the maintenance fee.

Ultimately patentee bears the responsibility for timely remittance of the maintenance fee. The petition fails to establish that patentee was unavoidably delayed in making the payment. Accordingly, the Office is precluded from accepting the maintenance fee and surcharge. If reconsideration of this decision is not desired, petitioner may request a refund of this fee by writing to the Finance Office, Refund Section. A copy of this decision should accompany any request for refund.

Any renewed petition must establish that the entire period of delay from the time that the maintenance fee was due until the time of the filing of a grantable petition has been unavoidable. Petitioner is reminded that any renewed petition should entail an exhaustive effort to establish that

the failure to timely pay the maintenance fee was unavoidable as after reconsideration pursuant to 37 CFR 1.378(e), no further reconsideration regarding unavoidable delay will be undertaken.

Petitioner must establish that patentee was aware of the need to pay the maintenance fee, and was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was "unavoidably" prevented from making the maintenance fee payment due until the filing of a grantable petition. Petitioner must establish a nexus between the events complained of and the failure to timely remit the maintenance fee.

Petitioner may wish to submit statements of facts from his attorneys; copies of any contractual agreements between the attorneys and patentee whereby the attorneys was engaged to track the maintenance fee; copies of any reminder letters received from the attorneys to patentee concerning maintenance fees for the patent; and, a detailed statement concerning the system in place for tracking the maintenance fee.

Any renewed petition must establish that the entire period of delay from the time that the maintenance fee was due until the time of the filing of a grantable petition has been unavoidable. Petitioner is reminded that any renewed petition should entail an exhaustive effort to establish that the failure to timely pay the maintenance fee was unavoidable as after reconsideration pursuant to 37 CFR 1.378(e), no further reconsideration regarding unavoidable delay will be undertaken.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop PETITIONS
Commissioner for Patents
Post Office Box 1450
Alexandria, VA 22313-1450

By hand: Customer Service Window
Mail Stop Petitions
Randolph Building
401 Dulany Street
Alexandria, VA 22314

By fax: (571) 273-8300
ATTN: Office of Petitions

The requested revocation of power of attorney/change of address has been entered into the record.

Any questions concerning this matter may be directed to the undersigned at (571) 272-3205.

/ALESIA M. BROWN/

Alesia M. Brown
Petitions Attorney
Office of Petitions